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RUEHBY/AMEMBASSY CANBERRA 4395  
RUEHLO/AMEMBASSY LONDON 0182  
RUEHKO/AMEMBASSY TOKYO 8326  
RUEHGZ/AMCONSUL GUANGZHOU 9845  
RUEHHK/AMCONSUL HONG KONG 7364  
RUEHOK/AMCONSUL OSAKA KOBE 0407  
RUEHGH/AMCONSUL SHANGHAI 0661  
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC  
RUCPDOC/DEPT OF COMMERCE WASHDC  
RUEAIIA/CIA WASHDC  
RHMFIS/HQ BICE WASHINGTON DC

C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 004200

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STATE FOR EAP/TC AND ISN/MTR

E.O. 12958: DECL: 12/27/2016

TAGS: ETTC TW

SUBJECT: MTAG: UPDATE ON TAIWAN GAMEPLAN

REF: A. TAIPEI 4187

1B. SECSTATE 202389

1C. SECSTATE 202398

Classified By: AIT/T ACTING DEPUTY DIRECTOR DANIEL MOORE FOR REASONS 1.  
4(B)(D)

11. (C) Summary: Taiwan's licensing agency is pleased with the improvements in its licensing system over the course of 2006 and attributes much of the progress to U.S. assistance. Taiwan greatly appreciates U.S. comments on licensing cases and welcomes any additional comments U.S. agencies may have on any individual case. End Summary

12. (C) As reported in ref A, AIT/T delivered the U.S. responses to ten Taiwan export license cases per the requests in refs B and C. In the course of delivering the responses, the Board of Foreign Trade (BOFT) Task Force head, Wally Su, commented on implementation of the "gameplan" over the course of 2006. In particular, Su expressed appreciation for the responses on the ten cases coming during the U.S. holiday season. Su noted that some responses on individual cases have stated the U.S. will or may have additional comments in the future. Su emphasized how valuable any such additional comments would be and asked that U.S. agencies provide any such comments as soon as they are available.

Licensing System Improving

13. (C) In general, Su said he is pleased with the licensing system as it now stands and thinks it has improved substantially over the last year, citing additions to the Sensitive Commodities List (SCL) (in June, August and December) this year and implementation of the licensing requirement for exports, transits and re-exports bound for North Korea and Iran. On December 9, Su said Taiwan added 109 items to its SCL list bringing the total number of controlled items to 542 at that point. (Note: AIT/T sent the list of 109 items to EAP/TC and ISN/MTR by unclass email on December 27. End Note.) Su described the U.S. as a large "database" that can help Taiwan relieve certain areas of uncertainty as BOFT processes licenses. Su also views the development of the SCL list as a very positive advance. He said the use of Harmonized System numbers in the SCL makes it

much easier to track products than use of the ECCN codes.

¶4. (C) Su noted he had participated in two industry outreach events in November and December and found that Taiwan firms are showing more and more interest in Taiwan's export control system and asking questions about specific scenarios. He believes Taiwan firms are paying more attention to export control and seeking information because they realize Taiwan authorities are closely monitoring the trading environment. He praised Customs as being very responsive in their work and noted that BOFT has recently forwarded several cases to the Ministry of Justice Investigation Bureau and to prosecutors for additional investigation. When asked how many cases, he said five or six.

¶5. (C) During his outreach sessions, Su said he has been emphasizing two aspects of the system, one is the punishments provided for in the regulations and the other is that Taiwan firms can enhance their standing in international markets by being seen as capable of monitoring and ensuring their products are not misused. This last item was a principal theme of the visit in November by the inter-agency team and seems to have been adopted by Su and his Task Force.

Licenses for U.S. origin Re-exports

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¶6. (C) Su said another sign of the greater attention Taiwan firms assign to export control is the number of questions he gets asking for information on preparing and filing applications to re-export U.S.-origin controlled products. He candidly noted that over the years some firms have lost the original paperwork associated with particular pieces of equipment and added that firms have found it difficult to get

TAIPEI 00004200 002 OF 002

information on the proper procedures to follow. (Comment: AIT/T will consult further with Su on this issue, seeking more specific information about the problems Taiwan firms face in seeking permission to re-export items. Once we have a firm understanding of the issues, we will prepare a report for Washington Agencies. End Comment.)  
WANG